GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

The Andhra Pradesh Goods and Services Tax Act, 2017 (Act No.16 of 2017) – certain amendments to the notification issued in G.O.Ms.No.259, Revenue (CT.II) Department, Dated. 29.06.2017 related to rates of tax on services - Notification-Orders - Issued.

REVENUE (COMMERCIAL TAXES-II) DEPARTMENT

G.O.MS.No.287, **Dated:29-04-2019**

Read the following:

1) The Andhra Pradesh Goods and Services Tax Act, 2017 (Act No. 16 of 2017) published in Extraordinary issue of Andhra Pradesh Gazette No.16, Part.IV.B, Dt:07-06-2017.
2) G.O.Ms.No.259, Revenue (CT.II) Department, Dated. 29.06.2017
3) From the Chief Commissioner of State Tax, A.P., Vijayawada, Letter No.CCW/GST/74/2015, dated.29-03-2019.

** ** **

ORDER:

The following notification will be published in an Extra-ordinary issue of the Andhra Pradesh Gazette, Dated:30-04-2019:

NOTIFICATION

In exercise of the powers conferred by sub-sections (1), (3)and (4) of section 9, sub-section (1) of section 11,sub-section (5) of section 15, sub-section (1) of section 16 and section 148of the Andhra Pradesh Goods and Services Tax Act, 2017 (Act No. 16 of 2017), the Government, on the recommendations of the Goods and Services Tax Council, and on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments to the notification issued in G.O.Ms.No. 259, Revenue (CT.II) Department, Dated. 29.06.2017, as subsequently amended:-

2. This notification shall be deemed to have come into force with effect on and from the 1st day of April, 2019.

AMENDMENTS

In the said notification, -

(i) in the opening paragraph,

(a) after the word, brackets and figures "conferred by sub-section (1),", the word, brackets and figures "sub-section (3) and sub-section (4)" shall be inserted;

(b) the word "and" after the words and figures "sub-section (5) of section 15" shall be substituted by the symbol ",";

(c) after the word, brackets and figures "section (16)", the words and figure "and section 148" shall be inserted;

(ii) in the Table, -

(a) against serial number 3, for item (i), and the entries relating thereto in column (3), (4) and (5), the following items and entries shall be substituted, namely, -

Table

(3)	(4)	(5)
"(i) Construction of affordable residential apartments by a promoter in a residential real estate project (herein after referred to as RREP)which commences on or after 1st April, 2019 or in an ongoing RREP in respect of which the promoter has not	0.75	Provided that the state tax at the rate specified in column (4) shall be paid in cash, that is, by debiting the electronic cash ledger only; Provided also that credit of input tax

exercised option to pay state tax on construction of apartments at the rates as specified for item (ie) or (if)below, as the case may be, in the manner prescribed therein,intended for sale to a buyer, wholly or partly, except where the entire consideration has been received after issuance of completion certificate, where required, by the competent authority or after its first occupation, whichever is earlier. (Provisions of paragraph 2 of this notification shall apply for valuation of this service)		charged on goods and services used in supplying the service has not been taken except to the extent as prescribed in Annexure I in the case of REP other than RREP and in Annexure II in the case of RREP; Provided also that the registered person shall pay, by debit in the electronic credit ledger or electronic cash ledger, an amount equivalent to the input tax credit attributable to construction in a project, time of supply of which is on or after 1st April, 2019, which shall be calculated in the manner as prescribed in the Annexure I in the case of REP other than RREP and in Annexure II in the case of RREP; Provided also that where a registered person (landowner- promoter) who transfers development right or FSI (including additional FSI) to a promoter (developer- promoter) against consideration, wholly or partly, in the form of construction of apartments, - (i) the developer- promoter shall pay tax on supply of construction of apartments to the landowner-promoter, and (ii) such landowner – promoter shall be eligible for credit of taxes charged from him by the developer promoter towards the supply of construction of apartments by developer-promoter to him, provided the landowner- promoter further supplies such apartments to his buyers before issuance of completion certificate or first occupation, whichever is earlier, and pays tax on the same which is not less than the amount of tax charged from him on construction of such apartments by the developer- promoter. Explanation. - (i) "developer- promoter" is a promoter who constructs or converts a building into apartments or develops a plot for sale, (ii) "landowner- promoter" is a promoter who transfers the land or development rights or FSI to a
(ia) Construction of residential apartments other than affordable residential apartments by a promoter in an RREP which commences on or after 1st April, 2019 or in an ongoing RREP in respect of which the promoter has not exercised option to pay state tax on construction of apartments at the rates as specified for item (ie) or (if) below, as the case may be, in the manner prescribed therein, intended for sale to a buyer, wholly or partly, except where the entire consideration has been received after issuance of completion certificate, where required, by the competent authority or after its first occupation, whichever is earlier. (Provisions of paragraph 2 of this notification shall apply for valuation of this service)	3.75	
(ib) Construction of commercial apartments (shops, offices, godowns etc.) by a promoter in an RREP which commences on or after 1st April, 2019 or in an ongoing RREP in respect of which the promoter has not exercised option to pay state tax on construction of apartments at the rates as specified for item (ie) or (if) below, as the case may be, in the manner prescribed therein, intended for sale to a buyer, wholly or partly, except where the entire consideration has been received after issuance of completion certificate, where required, by the competent authority or after its first occupation, whichever is earlier. (Provisions of paragraph 2 of this notification shall apply for valuation of this service)	3.75	
(ic) Construction of affordable residential apartments by a promoter **in a real estate project (herein after referred to as REP) other than RREP,**which commences on or after 1st April, 2019 or in an ongoing REP other than RREP in respect of which the promoter has not exercised option to pay state tax on construction of apartments at the rates as	0.75	

specified for item (ie) or (if) below, as the case may be,in the manner prescribed therein, intended for sale to a buyer, wholly or partly, except where the entire consideration has been received after issuance of completion certificate, where required, by the competent authority or after its first occupation, whichever is earlier. (Provisions of paragraph 2 of this notification shall apply for valuation of this service)		developer- promoter for construction of apartments and receives constructed apartments against such transferred rights and sells such apartments to his buyers independently. Provided also that eighty percent of value of input and input services, [other than services by way of grant of development rights, long term lease of land (against upfront payment in the form of premium, salami, development charges etc.) or FSI (including additional FSI), electricity, high speed diesel, motor spirit, natural gas], used in supplying the service shall be received from registered supplier only; Provided also that inputs and input services on which tax is paid on reverse charge basis shall be deemed to have been purchased from registered person; Provided also that where value of input and input services received from registered suppliers during the financial year (or part of the financial year till the date of issuance of completion certificate or first occupation of the project, whichever is earlier)falls short of the said threshold of 80 per cent., State tax shall be paid by the promoter on value of input and input services comprising such shortfall at the rate of Nine percent on reverse charge basis and all the provisions of the Andhra Pradesh Goods and Services Tax Act, 2017 (Act No. 16 of 2017) shall apply to him as if he is the person liable for paying the tax in relation to the supply of such goods or services or both; Provided also that notwithstanding anything contained herein above, where cement is received from an unregistered person, the promoter shall pay tax on supply of such cement at the applicable rates on reverse charge basis and all the provisions of the Andhra Pradesh Goods and Services Tax Act, 2017 (Act No. 16 of 2017), shall apply to him as if he is the person liable for paying the tax in relation to such supply of cement; (Please refer to the illustrations in annexure III)
(id) Construction of residential apartments other than affordable residential apartments by a promoter **in a REP other than a RREP** which commences on or after 1st April, 2019or in an ongoing REP other than RREP in respect of which the promoterhas not exercised option to pay state tax on construction of apartments at the rates as specified for item (ie) or (if) below, as the case may be, in the manner prescribed therein, intended for sale to a buyer, wholly or partly, except where the entire consideration has been received after issuance of completion certificate, where required, by the competent authority or after its first occupation, whichever is earlier. (Provisions of paragraph 2 of this notification shall apply for valuation of this service)	3.75	

		Explanation. - (1).The promoter shall maintain project wise account of inward supplies from registered and unregistered supplier and calculate tax payments on the shortfall at the end of the financial year and shall submit the same in the prescribed form electronically on the common portal by end of the quarter following the financial year. The tax liability on the shortfall of inward supplies from unregistered person so determined shall be added to his output tax liability in the month not later than the month of June following the end of the financial year. (2). Notwithstanding anything contained in Explanation 1 above, tax on cement received from unregistered person shall be paid in the month in which cement is received. (3). Input Tax Credit not availed shall be reported every month by reporting the same as ineligible credit in GSTR-3B [Row No. 4 (D)(2)].
(ie) Construction of an apartment in an ongoing project under any of the schemes specified in sub-item (b), sub-item (c), sub-item (d), sub-item (da) and sub-item (db) of item (iv); sub-item (b), sub-item (c), sub-item (d) and sub-item (da) of item (v); and sub-item (c) of item (vi), against serial number 3 of the Table, in respect of which the promoter has exercised option to pay state tax on construction of apartments at the rates as specified for this item. (Provisions of paragraph 2 of this notification shall apply for valuation of this service)	6	Provided that in case of ongoing project, the registered person shall exercise one time option in the Form at Annexure IV to pay state tax on construction of apartments in a project at the rates as specified for item (ie) or (if), as the case may be, by the 10th of May, 2019; Provided also that where the option is not exercised in Form at annexure IV by the 10th of May, 2019, option to pay tax at the rates as applicable to item (i) or (ia) or(ib) or (ic) or (id) above, as the case may be, shall be deemed to have been exercised; Provided also that invoices for supply of the service can be issued during the period from 1st April 2019 to 10th May 2019 before exercising the option, but such invoices shall be in accordance with the option to be exercised.;
(if) Construction of a complex, building, civil structure or a part thereof, including,- (i) commercial apartments (shops, offices, godowns etc.) by a promoter **in a REP other than RREP**, (ii) residential apartments in an ongoing project, other than affordable residential apartments, in respect of which the promoter has exercised option to pay state tax on construction of apartments at the rates as specified for this item in the manner prescribed herein, but excluding supply by way of services	9	

specified at items (i), (ia), (ib), (ic), (id) and (ie) above intended for sale to a buyer, wholly or partly, except where the entire consideration has been received after issuance of completion certificate, where required, by the competent authority or after its first occupation, whichever is earlier. Explanation. -For the removal of doubt, it is hereby clarified that, supply by way of services specified at items (i), (ia), (ib), (ic), (id) and (ie) in column (3) shall attract state tax prescribed against them in column (4) subject to conditions specified against them in column (5) and shall not be levied at the rate as specified under this entry. (Provisions of paragraph 2 of this notification shall apply for valuation of this service).		

(b) against serial number 3, -

(a). item (ii) and the entries relating thereto in columns (3), (4) and (5) shall be omitted;

(b). in item (iv) in column (3), -

(1) after the figures "2017", the words, brackets, figures and letters"other than that covered by items (i), (ia), (ib), (ic), (id), (ie) and (if) above" shall be inserted;

(c). in item (v) in column (3), -

(1) after the figures "2017", the words, brackets, figures and letters "other than that covered by items (i), (ia), (ib), (ic), (id), (ie) and (if)above" shall be inserted;

(d). after item (v) and entries relating thereto in column (3), (4) and (5), the following items and entries shall be inserted, namely, -

(3)	(4)	(5)
(va) Composite supply of works contract as defined in clause (119) of section 2 of the Andhra Pradesh Goods and Services Tax Act, 2017, other than that covered by items (i), (ia), (ib), (ic), (id), (ie) and (if) above, supplied by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of affordable residential apartments covered by sub- clause (a) of clause (xvi) of paragraph 4 below, in a project which commences on or after 1st April, 2019,or in an ongoing project in respect of which the promoter has not exercised option to pay state tax on construction of apartments at the rates as specified for item (ie) or (if), as the case may be, in the manner prescribed therein,	6	Provided that carpet area of the affordable residential apartments as specified in the entry in column (3) relating to this item, is not less than 50% of the total carpet area of all the apartments in the project; Provided also that for the purpose of determining whether the apartments at the time of supply of

		the service are affordable residential apartments covered by sub-clause (a) of clause (xvi) of paragraph 4 below or not, value of the apartments shall be the value of similar apartments booked nearest to the date of signing of the contract for supply of the service specified in the entry in column (3) relating to this item; Provided also that in case it finally turns out that the carpet area of the affordable residential apartments booked or sold before or after completion, for which gross amount actually charged was forty five lakhs rupees or less and the actual carpet area was within the limits prescribed in sub-clause (a) of clause (xvi) of paragraph 4 below, was less than 50 per cent. of the total carpet area of all the apartments in the project, the recipient of the service, that is, the promoter shall be liable to pay such amount of tax on reverse charge basis as is equal to the difference between the tax payable on the service at the applicable rate but for the rate prescribed herein and the tax

		actually paid at the rate prescribed herein”;

(e). in item (vi) in column (3), after the expression “2017”, the expression “other than that covered by items (i), (ia), (ib), (ic), (id), (ie) and (if)above” shall be added’;

(f). in item (xii) in column (3), for the entry, the following entry shall be substituted, namely: -

“(xii) Construction services other than(i), (ia), (ib), (ic), (id), (ie), (if),(iii), (iv), (v), (va), (vi), (vii), (viii), (ix), (x) and (xi) above.

Explanation. - For the removal of doubt, it is hereby clarified that, supply by way of services specified at items (i), (ia), (ib), (ic), (id), (ie)and (if)in column (3) shall attract state tax prescribed against them in column (4) subject to conditions specified against them in column (5) and shall not be levied at the rate as specified under this entry.”;

(c) against serial number 16,in item (ii) in column (3), for the word, brackets and letters “sub-item (b), sub-item (c), sub-item (d), sub-item (da) and sub-item (db) of item (iv); sub-item (b), sub-item (c), sub-item(d) and sub-item (da)of item (v); and sub-item (c) of item (vi)”, the word, brackets figures and letters“ (i) (ia), (ib), (ic), (id), (ie)and (if)” shall be substituted;

(d) after serial number 38 in column (1) and the entries relating thereto in column (2), (3), (4) and (5) the following serial number and entries shall be inserted, namely: -

(1)	(2)	(3)	(4)	(5)
“39.	Chapter 99	Supply of services other than services by way of grant of development rights, long term lease of land (against upfront payment in the form of premium, salami, development charges etc.) or FSI (including additional FSI) by an unregistered person to a promoter for construction of a project on which tax is payable by the recipient of the services under sub- section (4) of section 9 of the Andhra Pradesh Goods and Services Tax Act, 2017 (Act No. 16 of 2017), as prescribed in G.O. Ms. No.286, Revenue (CT-II) Dept., Dated.29-04-2019. Explanation. - This entry is to be taken to apply to all services which satisfy the conditions prescribed herein, even though they may be covered by a more specific chapter, section or heading elsewhere in this notification.	9	-”;

(iii) in paragraph 2-

(a), for the words, brackets, letters and figures “sub-item (b), sub-item (c), sub-item (d), sub-item (da) and sub-item (db) of item (iv); sub-item (b), sub-item (c), sub-item (d) and sub-item (da) of item (v); and sub-item (c) of item (vi),” the word,

brackets, letters and figures " (i) (ia), (ib), (ic), (id), (ie)and (if)" shall be substituted;

(b) in the explanation after the words "this paragraph", the words " and paragraph 2A below" shall be inserted.

(iv) after paragraph 2, the following paragraph shall be inserted, namely, -

"2A. Where a registered person transfers development right or FSI (including additional FSI) to a promoter against consideration, wholly or partly, in the form of construction of apartments, the value of construction service in the respect of such apartments shall be deemed to be equal to the total amount charged for similar apartments in the project from the independent buyers, other than the person transferring the development right or FSI (including additional FSI), nearest to the date on which such development right or FSI (including additional FSI) is transferred to the promoter, less the value of transfer of land, if any, as prescribed in paragraph-2 above."

(v) in paragraph 4 relating to Explanation, after clause (xii), the following clauses shall be inserted, namely: -

"(xiii) an apartment booked on or before the 31st March, 2019 shall mean an apartment which meets all the following three conditions, namely- (a)part of supply of construction of which has time of supply on or before the 31st March, 2019and (b) at least one instalment has been credited to the bank account of the registered person on or before the 31st March, 2019and (c) an allotment letter or sale agreement or any other similar document evidencing booking of the apartment has been issued on or before the 31st March, 2019;

(xiv) the term "apartment" shall have the same meaning as assigned to it in clause (e) of section 2 of the Real Estate (Regulation and Development) Act, 2016 (Act No. 16 of 2016);

(xv) the term "project" shall mean a real estate project or a residential real estate project;

(xvi) the term "affordable residential apartment" shall mean, -

(a) a residential apartment in a project which commences on or after 1st April, 2019,or in an ongoing project in respect of which the promoter has not exercised option in the prescribed form to pay state tax on construction of apartments at the rates as specified for item (ie) or (if) against serial number 3, as the case may be, having carpet area not exceeding 60 square meter in metropolitan cities or 90 square meter in cities or towns other than metropolitan cities and for which the gross amount charged is not more than forty five lakhs rupees.

For the purpose of this clause, -

(i) Metropolitan cities are Bengaluru, Chennai, Delhi NCR (limited to Delhi, Noida, Greater Noida, Ghaziabad, Gurgaon, Faridabad), Hyderabad, Kolkata and Mumbai (whole of MMR) with their respective geographical limits prescribed by an order issued by the Central or State Government in this regard;

(ii) Gross amount shall be the sum total of; -

(A). Consideration charged for the services specified at item (i) and (ic) in column (3) against sl. No. 3 in the Table;

(B). Amount charged for the transfer of land or undivided share of land, as the case may be including by way of lease or sub lease; and

(C). Any other amount charged by the promoter from the buyer of the apartment including preferential location charges, development charges, parking charges, common facility charges etc.;

(**b**) an apartment being constructed in an ongoing project under any of the schemes specified in sub-item (b), sub-item (c), sub-item (d), sub-item (da) and sub-item (db) of item (iv); sub-item (b), sub-item (c), sub-item (d) and sub-item (da) of item (v); and sub-item (c) of item (vi), against serial number 3 of the Table above, in respect of which the promoter has not exercised option to pay state tax on construction of apartments at the rates as specified for item (ie) or (if) against serial number 3, as the case may be."

(xvii) the term "promoter" shall have the same meaning as assigned to it in clause (zk) of section 2 of the Real Estate (Regulation and Development) Act, 2016 (Act No. 16 of 2016);

(xviii) the term "real estate project (REP)" shall have the same meaning as assigned to it in clause (zn) of section 2 of the Real Estate (Regulation and Development) Act, 2016(Act No. 16 of 2016);

(xix) the term "residential real estate project (RREP)" shall mean a Real Estate Project in which the carpet area of the commercial apartments is not more than 15 per cent. Of the total carpet area of all the apartments in the REP.

(xx) the term "ongoing project" shall mean a project which meets all the following conditions, namely-

(a) commencement certificate in respect of the project, where required to be issued by the competent authority, has been issued on or before 31st March, 2019, and it is certified by any of the following that construction of the project has started on or before 31st March, 2019:-

(i) an architect registered with the Council of Architecture constituted under the Architects Act, 1972 (Act No. 20 of 1972); or

(ii) a chartered engineer registered with the Institution of Engineers (India); or

(iii) a licensed surveyor of the respective local body of the city or town or village or development or planning authority.

(b) where commencement certificate in respect of the project, is not required to be issued by the competent authority, it is certified by any of the authorities specified in sub- clause (a) above that construction of the project has started on or before the 31st March, 2019;

(c) completion certificate has not been issued or first occupation of the project has not taken place on or before the 31st March, 2019;

(d) apartments being constructed under the project have been, partly or wholly, booked on or before the 31st March, 2019.

Explanation.-For the purpose of sub- clause (a) and (b) above , construction of a project shall be considered to have started on or before the 31st March, 2019, if the earthwork for site preparation for the project has been completed and excavation for foundation has started on or before the 31st March, 2019.

(xxi) "commencement certificate" means the commencement certificate or the building permit or the construction permit, by whatever name called issued by the

competent authority to allow or permit the promoter to begin development works on an immovable property, as per the sanctioned plan;

(xxii) "development works" means the external development works and internal development works on immovable property;

(xxiii) "external development works" includes roads and road systems landscaping, water supply, seweage and drainage systems, electricity supply transformer, sub-station, solid waste management and disposal or any other work which may have to be executed in the periphery of, or outside, a project for its benefit, as may be provided under the local laws;

(xxiv) "internal development works" means roads, footpaths, water supply, sewers, drains, parks, tree planting, street lighting, provision for community buildings and for treatment and disposal of sewage and sullage water, solid waste management and disposal, water conservation, energy management, fire protection and fire safety requirements, social infrastructure such as educational health and other public amenities or any other work in a project for its benefit, as per sanctioned plans;

(xxv) the term "competent authority" as mentioned in definition of "commencement certificate" and "residential apartment" , means the local authority or any authority created or established under any law for the time being in force by the Central Government or State Government or Union Territory Government, which exercises authority over land under its jurisdiction, and has powers to give permission for development of such immovable property;

(xxvi) The term "carpet area" shall have the same meaning as assigned to it in clause (k) of section 2 of the Real Estate (Regulation and Development) Act, 2016 (Act No. 16 of 2016) ;

(xxvii) the term "Real Estate Regulatory Authority" shall mean the Authority established under sub- section (1) of section 20 (1) of the Real Estate (Regulation and Development) Act, 2016 (Act No. 16 of 2016) by the Central Government or State Government;

(xxviii) "project which commences on or after 1st April, 2019" shall mean a project other than an ongoing project;

(xxix) "Residential apartment" shall mean an apartment intended for residential use as declared to the Real Estate Regulatory Authority or to competent authority;

(xxx) "Commercial apartment" shall mean an apartment other than a residential apartment;

(xxxi) "floor space index (FSI)" shall mean the ratio of a building's total floor area (gross floor area) to the size of the piece of land upon which it is built;

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

Dr.D.SAMBASIVA RAO
SPECIAL CHIEF SECRETARY TO GOVERNMENT

To
The Commissioner of Printing, Stationery and Stores Purchase (Publication Wing), A.P., Vijayawada ... for publication of the Notification (he is requested to supply 20 copies of the notification to this Department and 200 copies to the Chief Commissioner of State Tax, Andhra Pradesh, Vijayawada)
The Chief Commissioner of State Tax, Andhra Pradesh, Vijayawada.
Copy to:
The Director General, General Administration (Vigilance & Enforcement) Department, 2nd floor, Pundit Nehru Bus Station Complex, Vijayawada.

The P.S. to Special Chief Secretary to Chief Minister.
The P.S. to the Hon'ble Minister (Finance & Commercial Taxes).
The P.S.to the Spl.C.S (CT, Excise and Regn.,& Stamps).
The Law (H) Department.
Sf/Sc.

// FORWARDED:: BY ORDER //

SECTION OFFICER

Annexure I
Real estate project (REP) other than Residential Real estate project (RREP)

Input tax credit attributable to construction of residential portion in areal estate project (REP)other than residential real estate project (RREP), which has time of supply on or after 1st April, 2019, shall be calculated project wise for all projects which commence on or after 1st April, 2019or ongoing projects in respect of which the promoter has not exercised option to pay state tax on construction of apartments at the rates as specified for item (ie) or (if) against serial number 3, as the case may be, in the prescribed manner, before the due date for furnishing of the return for the month of September following the end of financial year 2018-19, in the following manner:

1. Where % completion as on 31st March, 2019 is not zero or where there is inventory in stock

(a) Input tax credit on inputs and input services attributable to construction of residential portion in aREP, which has time of supply on or after 1st April, 2019, may be denoted as Tx. Tx shall be calculated as under:

Tx=T-Te

Where,

(i) T is the total ITC availed (utilized or not) on inputs and input services used in construction of the REP from 1st July, 2017 to 31st March, 2019 including transitional credit taken on 1st July, 2017;

(ii) Te is the eligible ITC attributable to (a) construction of commercial portion and (b) construction of residential portion, in the REP which has time of supply on or before 31st March, 2019;

(b) Te shall be calculated as under:

Te=Tc+Tr

Where, -

Tc is the ITC attributable to construction of commercial portion in the REP, calculated as under:

Tc =T * (carpet area of commercial apartments in the REP/ total carpet area of commercial and residential apartments in the REP) and

Tr is the ITC attributable to construction of residential portion in the REP which has time of supply on or before 31st March, 2019 and which shall be calculated as under,

$Tr= T* F_1 * F_2 * F_3* F_4$

Where, -

F_1= Carpet area of residential apartments in REP / Total carpet area of commercial and residential apartments in the REP

F_2 = Total carpet area of residential apartment booked on or before 31st March, 2019 / Total carpet area of the residential apartment in REP

F_3 = Such Value of supply of construction of residential apartments booked on or before 31st March, 2019 which has time of supply on or before 31st March, 2019 / Total value of supply of construction of residential apartments booked on or before 31st March, 2019

(F3 is to account for percentage invoicing of booked residential apartments)

F_4= 1 / % Completion of construction as on 31st March, 2019

Illustration: where one- fifth (twenty percent) of the construction has been completed, F_4 shall be 100 ÷ 20 = 5.

Explanation: "% Completion of construction as on 31st March, 2019" shall be the same as declared to the Real Estate Regulatory Authority in terms of section 4 and section 11 of Real Estate (Regulation and Development) Act, 2016 (16 of 2016)and where the same is not required to be declared to the Real Estate Regulatory Authority, it shall be got determined and certified by anarchitect registered with the Council of Architecture constituted under the Architects Act, 1972 (20 of 1972) or a chartered engineer registered with the Institution of Engineers (India).

(c) A registered person shall have the option to calculate 'Te' in the manner prescribed below instead of the manner prescribed in (b) above,-

Te shall be calculated as under:

Te = Tc + T1 + Tr

Where, -

Tc is the ITC attributable to construction of commercial portion in the REP, calculated as under:

Tc =T3 * (carpet area of commercial apartments in the REP/ total carpet area of commercial and residential apartments in the REP);

Wherein

T3 = T- (T1 + T2)

T1 = ITC attributable exclusively to construction of commercial portion in the REP

T2 = ITC attributable exclusively to construction of residential portion in the REP

and

Tr is the ITC attributable to construction of residential portion in the REP which has time of supply on or before 31.03.2019 and which shall be calculated as under,

$Tr= (T3 + T2)* F_1 * F_2 * F_3* F_4$
or
$Tr= (T- T1)* F_1 * F_2 * F_3* F_4$

(d) The amounts 'Tx' and 'Te' shall be computed separately for input tax credit of central tax, State tax, Union territory tax and integrated tax.

(e) Where, Tx is positive, i.e.Te<T, the registered person shall pay, by debit in the electronic credit ledger or electronic cash ledger, an amount equal to the difference between T and Te. Such amount shall form part of the output tax liability of the registered person and the amount shall be furnished in FORM GST ITC- 03.

Explanation: The registered person may file an application in FORM GST DRC- 20, seeking extension of time for the payment of taxes or any amount due or for allowing payment of such taxes or amount in installments in accordance with the provisions of section 80. The commissioner may issue an order in FORM GST DRC-21 allowing the taxable person further time to make payment and/or to pay the amount in such monthly installments, not exceeding twenty-four, as he may deem fit.

(f) WhereTx is negative, i.e.Te>T, the registered person shall be eligible to take ITC on goods and services received on or after 1st April, 2019 for construction of residential portion in the REP, for which he shall not otherwise be eligible, to the extent of difference between Te and T.

(g) The registered person may calculate Tc and utilize credit to the extent of Tc for payment of tax on commercial apartments, till the complete accounting of Tx is carried out and submitted.

(h) Where percentage completion is zero but ITC has been availed on goods and services received for the project on or prior to 31stMarch, 2019, input tax credit attributable to construction of residential portion which has time of supply on or after 1st April, 2019, shall be calculated and the amount equal to Tx shall be paid or taken credit of, as the case may be, as prescribed above, with the modification that percentage completion for calculation of F_4 shall be taken as the percentage completion which, as certified by an architect registered with the Council of Architecture constituted under the Architects Act, 1972 (20 of 1972) or a chartered engineer registered with the Institution of Engineers (India), can be achieved with the input services received and inputs in stock as on 31stMarch, 2019.

2. <u>Where % completion as on 31st March, 2019 is zero but invoicing has been done having time of supply before 31st March, 2019,and no input services or inputs have been received as on 31st March, 2019, "Te" shall be calculated as follows: -</u>

(a) Input tax credit on inputs and input services attributable to construction of residential portion in aREP, which has time of supply on or before 31st March, 2019 may be denoted as Te which shall be calculated as under,

Te = Tc + Tr
Where, -

Tc is the ITC attributable to construction of commercial portion in the REP, calculated as under:

Tc =Tn* (carpet area of commercial apartments in the REP/ total carpet area of commercial and residential apartments in the REP) and

Tr is the ITC attributable to construction of residential portion in the REP which has time of supply on or before 31st March, 2019 and which shall be calculated as under,

$Tr = Tn* F_1 * F_2 * F_3$

Where, -

Tn= Tax paid on such inputs and input services on whichITCis available under the CGST Act,received in 2019-20 for construction of REP

F1, F2 and F3 shall be the same as in para 1 above

(b) The registered person shall be eligible to take ITC on goods and services received on or after 1st April, 2019 for construction of residential portion in the REP, for which he shall not otherwise be eligible, tothe extent of the amount of Te.

(c) The amount 'Te' shall be computed separately for input tax credit of central tax, State tax, Union territory tax and integrated tax.

3. Notwithstanding anything contained in paragraph 1 or paragraph 2 above, Te shall be determined in the following situations as under:

(i) wherepercentage invoicingis more than the percentage completion andthedifference between percentage invoicing (per cent. points)and the percentage completion(per cent. points) of construction is more than 25 percent. points; the value of percentage invoicing shall be deemed to be percentage completion plus 25 percent. points;

(ii) wherethe value of invoices issuedon or prior to 31st March, 2019 exceeds the consideration actually received on or prior to 31st March, 2019 by more than 25 percent.of consideration actually received; the value of such invoices for the purpose of determination of percentage invoicing shall be deemed to beactual consideration received plus 25 percent. of the actual consideration received; and

(iii) where, the value of procurement of inputs and input services prior to 1st April, 2019 exceeds the value of actual consumption of the inputs and input services used in the percentage of construction completed as on 31st March, 2019 by more than 25 percent. of value of actual consumption of inputs and input services, the jurisdictional commissioner or any other officer authorized in this regard may fix the Te based on actual per unit consumption of inputs and input services based on the documents duly certified by a chartered accountant or cost accountant submitted by the promoter in this regard, applying the accepted principles of accounting.

Illustration 1:

Sl. No	Details of a REP (Res + Com)			
	A	B	C	D
1	No. of apartments in the project		100	units
2	No. of residential apartments in the project		75	units
3	Carpet area of the residential apartment		70	sqm
4	Total carpet area of the residential apartments	C2 * C3	5250	sqm
5	value of each residential apartment		0.60	crore
6	Total value of the residential apartments	C2 * C5	45.00	crore
7	No. of commercial apartments in the project		25	units
8	Carpet area of the commercial apartment		30	sqm
9	Total carpet area of the commercial apartments	C7 * C8	750	sqm
10	Total carpet area of the project (Resi + Com)	C4 + C9	6000	sqm
11	Percentage completion as on 01.04.2019 [as declared to RERA or determined by chertered engineer]		20%	
12	No of residential apartments booked before transition		40	units
13	Total carpet area of the residential apartments booked before transition	C12 * C3	2800	sqm
14	Value of booked residential apartments	C5 * C12	24	crore
15	Percentage invoicing of booked residential apartments on or before 31.03.2019		20%	
16	Total value of supply of residential apartments having t.o.s. prior to transition	C14 * C15	4.8	crore
17	ITC to be reversed on transition, Tx= T- Te			
18	Eligible ITC (Te)= Tc + Tr			
19	T (*see notes below)		1	crore
20	Tc= T x (carpet area of commercial apartments in the REP/ total carpet area of commercial and residential apartments in the REP)	C19 * (C9/ C10)	0.125	crore
21	Tr= T x F1 x F2 x F3 x F4			
22	F1	C4 / C10	0.875	
23	F2	C13 / C4	0.533	
24	F3	C16 / C14	0.200	
25	F4	1/ C11	5	
26	Tr= T x F1 x F2 x F3 x F4	C19 * C22 * C23 * C24 * C25	0.467	crore
27	Eligible ITC (Te)=Tc + Tr	C26 + C20	0.592	crore
28	ITC to be reversed on transition, Tx= T- Te	C19 - C27	0.408	crore

* Note:-

1. The value of T at C19 has been estimated for illustration based on weighted average tax on inputs.

2. In actual practice, the registered person shall take 'aggregate of ITC taken as declared in GSTR-3B of tax periods from 01.07.2017 or Commencement of project which is later and transitional credit taken under section 140 of APGST Act' as value of T.

Illustration 2:

Sl. No	Details of a REP (Res + Com)			
	A	B	C	D
1	No. of apartments in the project		100	units
2	No. of residential apartments in the project		75	units
3	Carpet area of the residential apartment		70	sqm
4	Total carpet area of the residential apartments	C2 * C3	5250	sqm
5	value of each residential apartment		0.60	crore
6	Total value of the residential apartments	C2 * C5	45.00	crore
7	No. of commercial apartments in the project		25	units
8	Carpet area of the commercial apartment		30	sqm
9	Total carpet area of the commercial apartments	C7 * C8	750	sqm
10	Total carpet area of the project (Resi + Com)	C4 + C9	6000	sqm
11	Percentage completion (Pc) as on 01.04.2019 [as declared to RERA or determined by chertered engineer]		20%	
12	No of residential apartments booked before transition		40	units
13	Total carpet area of the residential apartments booked before transition	C12 * C3	2800	sqm
14	Value of booked residential apartments	C5 * C12	24	crore
15	Percentage invoicing of booked residential apartments on or before 31.03.2019		60%	
16	Total value of supply of residential apartments having t.o.s. prior to transition	C14 * C15	14.4	crore
17	ITC to be reversed on transition, Tx= T- Te			
18	Eligible ITC (Te)= Tc + Tr			
19	T (*see notes below)		1	crore
20	Tc= T x (carpet area of commercial apartments in the REP/ total carpet area of commercial and residential apartments in the REP)	C19 * (C9/ C10)	0.125	crore
21	Tr= T x F1 x F2 x F3 x F4			
22	F1	C4 / C10	0.875	
23	F2	C13 / C4	0.533	
24	F3	C16 / C14	0.600	
25	F4	1/ C11	5	
26	Tr= T x F1 x F2 x F3 x F4	C19 * C22 * C23 * C24 * C25	1.400	crore
27	Eligible ITC (Te)=Tc + Tr	C26 + C20	1.525	crore
28	ITC to be reversed/ taken on transition, Tx= T- Te	C19 - C27	-0.525	crore
29	Tx after application of cap on % invoicing vis-a-vis Pc			
30	% completion		20%	
31	% invoicing		60%	
32	% invoicing after application of cap(Pc + 25%)	C11+25%	45%	
33	Total value of supply of residential apartments having t.o.s. prior to transition	C14*C32	10.80	crore
34	F3 after application of cap	C33/C14	0.45	
35	Tr= T x F1 x F2 x F3 x F4 (after application of cap)	C19 * C22 * C23 * C34 * C25	1.05	crore
36	Eligible ITC (Te)=Tc + Tr (after application of cap)	C20 + C35	1.18	crore
37	ITC to be reversed / taken on transition, Tx= T- Te (after application of cap)	C19 - C36	-0.18	crore
38	Tx after application of cap on % invoicing vis-a-vis Pc and payment realisation			
39	% invoicing after application of cap(Pc + 25%)		45%	
40	Total value of supply of residential apartments having t.o.s. prior to transition	C33	10.80	crore
41	Consideration received		8.00	crore
42	Total value of supply of residential apartments having t.o.s. prior to transition after application of cap vis-a-vis consideration received	8 cr + 25% of 8 Cr	10.00	crore
43	F3 after application of both the caps	C42 / C14	0.42	
44	Tr= T x F1 x F2 x F3 x F4 (after application of both the caps)	C19 * C22 * C23 * C43 * C25	0.97	
45	Eligible ITC (Te)=Tc + Tr (after application of both the caps)	C20 + C44	1.10	
46	ITC to be reversed / taken on transition, Tx= T- Te (after application of both the caps)	C19 - C45	-0.10	crore

* Note:-

1. The value of T at C19 has been estimated for illustration based on weighted average tax on inputs.

2. In actual practice, the registered person shall take 'aggregate of ITC taken as declared in GSTR-3B of tax periods from 1.7.2017 or commencemnt of project which is later and transitional credit taken under section 140 of APGST Act' as value of T.

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Annexure II
Residential Real estate project (RREP)

Input tax credit attributable to construction of residential and commercial portion in a Residential Real estate project (RREP), which has time of supply on or after 1st April, 2019, shall be calculated project wise for all projects which commence on or after 1st April, 2019or ongoing projects in respect of which the

promoter has not exercised option to pay state tax on construction of apartments at the rates as specified for item (ie) or (if) against serial number 3, as the case may be, in the prescribed manner, before the due date for furnishing of the return for the month of September following the end of financial year 2018-19, in the following manner:

1. <u>Where % completion as on 31st March, 2019 is not zero or where there is inventory in stock</u>

(a) Input tax credit on inputs and input services attributable to construction of residential and commercial portion in an RREP, which has time of supply on or after 1st April, 2019, may be denoted as Tx. Tx shall be calculated as under:

$$Tx = T - Te$$

Where,

(i) T is the total ITC availed (utilized or not) on inputs and input services used in construction of the RREP from 1st July, 2017 to 31stMarch, 2019 including transitional credit taken on 1st July, 2017;

(ii) Te is the eligible ITC attributable to construction of commercial portion and construction of residential portion, in the RREP which has time of supply on or before 31stMarch, 2019;

(b) Te shall be calculated as under:

$$Te = T * F_1 * F_2 * F_3 * F_4$$

Where, -

F_1 = Carpet area of residential and commercial apartments in the RREP / Total carpet area of apartments in the RREP

(In case of a Residential Real Estate Project, value of "F1" shall be 1.)

F_2 = Total carpet area of residential and commercial apartment booked on or before 31stMarch, 2019 / Total carpet area of the residential and commercial apartment in the RREP

F_3 = Such value of supply of construction of residential and commercial apartments booked on or before 31stMarch, 2019 which has time of supply on or before 31stMarch, 2019 / Total value of supply of construction of residential and commercial apartments booked on or before 31stMarch, 2019

(F3 is to account for percentage invoicing of booked residential apartments)

F_4 = 1 / % Completion of construction as on 31stMarch, 2019

Illustration: where one- fifth (twenty percent) of the construction has been completed, F_4 shall be $100 \div 20 = 5$.

Explanation: "% Completion of construction as on 31stMarch, 2019" shall be the same as declared to the Real Estate Regulatory Authority in terms of section 4 and section 11 of Real Estate (Regulation and Development) Act, 2016 and where the same is not required to be declared to the Real Estate Regulatory Authority, it shall be got determined and certified by an architect registered with the Council of Architecture constituted under the Architects Act, 1972 (20 of 1972) or a chartered engineer registered with the Institution of Engineers (India).

(c) The amounts 'Tx' and 'Te' shall be computed separately for input tax credit of central tax, State tax, Union territory tax and integrated tax.

(d) Where, Tx is positive, i.e.Te<T, the registered person shall pay, by debit in the electronic credit ledger or electronic cash ledger, an amount equal to the difference between T and Te. Such amount shall form part of the output tax liability of the registered person and the amount shall be furnished in FORM GST ITC- 03.

Explanation: The registered person may file an application in FORM GST DRC- 20, seeking extension of time for the payment of taxes or any amount due or for allowing payment of such taxes or amount in installments in accordance with the provisions of section 80. The commissioner may issue an order in FORM GST DRC-21 allowing the taxable person further time to make payment and/or to pay the amount in such monthly installments, not exceeding twenty-four, as he may deem fit.

(e) Where, Tx is negative, i.e.Te>T, the registered person shall be eligible to take ITC on goods and services received on or after 1st April, 2019for construction of the RREP, for which he shall not otherwise be eligible, to the extent of difference between Te and T.

(f) Where percentage completion is zero but ITC has been availed on goods and services received for the project on or prior to 31stMarch, 2019, input tax credit attributable to construction of residential and commercial portion which has time of supply on or after 1st April, 2019, shall be calculated and the amount equal to Tx shall be paid or taken credit of, as the case may be, as prescribed above, with the modification that percentage completion for calculation of F_4 shall be taken as the percentage completion which, as certified by an architect registered with the Council of Architecture constituted under the Architects Act, 1972 (20 of 1972) or a chartered engineer registered with the Institution of Engineers (India), can be achieved with the input services received and inputs in stock as on 31stMarch, 2019.

2. <u>Where % completion as on 31st March, 2019 is zero but invoicing has been done having time of supply before 31st March, 2019, and no input services or inputs have been received as on 31st March, 2019, "Te" shall be calculated as follows: -</u>

(a) Input tax credit on inputs and input services attributable to construction of residential and commercial portion in an RREP, which has time of supply on or before 31stMarch, 2019may be denoted as Te which shall be calculated as under,

$$Te = Tn * F_1 * F_2 * F_3$$

Where, -

Tn= Tax paid on such inputs and input services on which ITC is available under the APGST Act, received in 2019-20 for construction of residential and commercial apartments in the RREP.

F1, F2 and F3 shall be the same as in para 1 above

(b) The registered person shall be eligible to take ITC on goods and services received on or after 1st April, 2019 for construction of residential or commercial portion in the RREP, for which he shall not otherwise be eligible, to the extent of the amount of Te.

(c) The amount 'Te' shall be computed separately for input tax credit of central tax, State tax, Union territory tax and integrated tax.

3. Notwithstanding anything contained in paragraph 1 or paragraph 2 above, Te shall be determined in the following situations as under:

(i) where percentage invoicing is more than the percentage completion and the difference between percentage invoicing (per cent. points) and the percentage completion (per cent. points) of construction is more than 25 percent. points; the value of percentage invoicing shall be deemed to be percentage completion plus 25 percent. points;

(ii) where the value of invoices issued on or prior to 31stMarch, 2019exceeds the consideration actually received on or prior to 31stMarch, 2019by more than 25 per cent. of consideration actually received; the value of such invoices for the purpose of determination of percentage invoicing shall be deemed to be actual consideration received plus 25 per cent. of the actual consideration received; and

(iii) where, the value of procurement of inputs and input services prior to 1st April, 2019 exceeds the value of actual consumption of the inputs and input services used in the percentage of construction completed as on 31stMarch, 2019 by more than 25 per cent. of value of actual consumption of inputs and input services, the jurisdictional commissioner or any other officer authorized in this regard may fix the Te based on actual per unit consumption of inputs and input services based on the documents duly certified by a chartered accountant or cost accountant submitted by the promoter in this regard, applying the accepted principles of accounting.

Illustration 1:

Sl No	Details of a residential project (RREP)			
	A	B	C	D
1	No. of apartments in the project		100	units
2	No. of residential apartments in the project		100	units
3	Carpet area of the residential apartment		70	sqm
4	Total carpet area of the residential apartments	C2 * C3	7000	sqm
5	value of each residential apartment		0.60	crore
6	Percentage completion as on 01.04.2019 [as declared to RERA or determined by chertered engineer]		20%	
7	No of apartments booked before transition		80	units
8	Total carpet area of the residential apartment booked before transition	C3 * C7	5600	sqm
9	Value of booked residential apartments	C5 * C7	48	crore
10	Percentage invoicing of booked residential apartments on or before 31.03.2019		20%	
11	Total value of supply of residential apartments having t.o.s. prior to transition	C9 * C10	9.6	crore
12	ITC to be reversed on transition, Tx= T- Te			
13	Eligible ITC (Te)=T x F1 x F2 x F3 x F4)			
14	T (*see notes below)		1	crore
15	F1		1	
16	F2	C8 / C4	0.8	
17	F3	C11 / C9	0.2	
18	F4	1/ C6	5	
19	Eligible ITC (Te)=T x F1 x F2 x F3 x F4)	C14 * C15 * C16 * C17 * C18	0.8	crore
20	ITC to be reversed on transition, Tx= T- Te	C14 - C19	0.2	crore

*Note:-

1. The value of T at C14 has been estimated for illustration based on weighted average tax on inputs.

2. In actual practice, the registered person shall take 'aggregate of ITC taken as declared in GSTR-3B of tax periods from 01.07.2017or commencement of project which is later and transitional credit taken under section 140 of APGST Act' as value of T.

Illustration 2:

Sl No	Details of a residential project (RREP)			
	A	B	C	D
1	No. of apartments in the project		100	units
2	No. of residential apartments in the project		100	units
3	Carpet area of the residential apartment		70	sqm
4	Total carpet area of the residential apartments	C2 * C3	7000	sqm
5	value of each residential apartment		0.60	crore
6	Percentage completion as on 01.04.2019 [as declared to RERA or determined by chertered engineer]		20%	
7	No of apartments booked before transition		80	units
8	Total carpet area of the residential apartment booked before transition	C3 * C7	5600	sqm
9	Value of booked residential apartments	C5 * C7	48	crore
10	Percentage invoicing of booked residential apartments on or before 31.03.2019		60%	
11	Total value of supply of residential apartments having t.o.s. prior to transition	C9 * C10	28.8	crore
12	ITC to be reversed on transition, Tx= T- Te			
13	Eligible ITC (Te)=T x F1 x F2 x F3 x F4)			
14	T (*see notes below)		1	crore
15	F1		1	
16	F2	C8 / C4	0.8	
17	F3	C11 / C9	0.6	
18	F4	1/ C6	5	
19	Eligible ITC (Te)=T x F1 x F2 x F3 x F4)	C14 * C15 * C16 * C17 * C18	2.4	crore
20	ITC to be reversed on transition, Tx= T- Te	C14 - C19	-1.4	crore
21	Tx after application of cap on % invoicing vis-a-vis Pc			
22	% completion		20%	
23	% invoicing		60%	
24	% invoicing after application of cap(Pc + 25%)	C6 + 25 %	45%	
25	Total value of supply of residential apartments having t.o.s. prior to transition	C9 * C24	21.60	crore
26	F3 after application of cap	C25/C9	0.45	
27	Te= T x F1 x F2 x F3 x F4 (after application of cap)	C14 * C15 * C16 * C26 * C18	1.80	crore
28	ITC to be reversed / taken on transition, Tx= T- Te (after application of cap)	C14 - C27	-0.80	crore
29	Tx after application of cap on % invoicing vis-a-vis Pc and payment reallsation			
30	% invoicing after application of cap(Pc + 25%)		45%	
31	Total value of supply of residential apartments having t.o.s. prior to transition	C25	21.60	crore
32	consideration received		16.00	crore
33	Total value of supply of residential apartments having t.o.s. prior to transition after application of cap vis-a-vis consideration received	16 cr + 25% of 16 Cr	20.00	crore
34	F3 after application of both the caps	C33/C9	0.42	
35	Te= T x F1 x F2 x F3 x F4 (after application of both the caps)	C14 * C15 * C34 * C26 * C18	1.67	
36	ITC to be reversed / taken on transition, Tx= T- Te (after application of both the caps)	C14 - C35	-0.67	crore

*Note:-

1. The value of T at C14 has been estimated for illustration based on weighted average tax on inputs.

2. In actual practice, the registered person shall take 'aggregate of ITC taken as declared in GSTR-3B of tax periods from 01.07.2017 or commencement of project which is later and transitional credit taken under section 140 of APGST Act' as value of T.

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Annexure III

Illustration 1:

A promoter has procured following goods and services [other than capital goods and services by way of grant of development rights, long term lease of land or FSI] for construction of a residential real estate project during a financial year.

Sl. No.	Name of input goods and services	% age of input goods and services received during the financial year	Whether inputs received from registered supplier? (Y/ N)
1	Sand	10	Y
2	**Cement**	**15**	**N**
3	Steel	20	Y
4	Bricks	15	Y
5	Flooring tiles	10	Y
6	Paints	5	Y
7	Architect/ designing/ CAD drawing etc.	10	Y
8	Aluminium windows, Ply, commercial wood	15	Y

In this example, the promoter has procured 80 per cent. of goods and services [other than services by way of grant of development rights, long term lease of land (against upfront payment in the form of premium, salami, development charges etc.) or FSI (including additional FSI), electricity, high speed diesel, motor spirit, natural gas], from a GST registered person. However, he has procured cement from an unregistered supplier. Hence at the end of financial year, the promoter has to pay GST on cement at the applicable rates on reverse charge basis.

Illustration 2:

A promoter has procured following goods and services [other than services by way of grant of development rights, long term lease of land (against upfront payment in the form of premium, salami, development charges etc.) or FSI (including additional FSI), electricity, high speed diesel, motor spirit, natural gas], for construction of a residential real estate project during a financial year.

Sl. No.	Name of input goods and services	% age of input goods and services received during the financial year	Whether inputs received from registered supplier? (Y/ N)
1	Sand	10	Y
2	Cement	15	Y
3	Steel	20	Y
4	Bricks	15	Y
5	Flooring tiles	10	Y
6	**Paints**	**5**	**N**
7	Architect/ designing/ CAD drawing etc.	10	Y
8	**Aluminium windows, Ply, commercial wood**	**15**	**N**

In this example, the promoter has procured 80 per cent. of goods and services including cement from a GST registered person. However, he has procured paints, aluminum windows, ply and commercial wood etc. from an unregistered supplier. Hence at the end of financial year, the promoter is not required to pay GST on inputs on reverse charge basis.

Illustration 3:

A promoter has procured following goods and services [other than services by way of grant of development rights, long term lease of land (against upfront payment in the form of premium, salami, development charges etc.) or FSI (including additional FSI), electricity, high speed diesel, motor spirit, natural gas], for construction of a residential real estate project during a financial year.

Sl. No.	Name of input goods and services	% age of input goods and services received during the financial year	Whether inputs procured from registered supplier? (Y/ N)
1	**Sand**	**10**	**N**
2	**Cement**	**15**	**N**
3	Steel	15	Y
4	Bricks	10	Y
5	Flooring tiles	10	Y
6	Paints	5	Y
7	Architect/ designing/ CAD drawing etc.	10	Y
8	**Aluminium windows**	**15**	**N**
9	**Ply, commercial wood**	**10**	**N**

In this example, the promoter has procured 50 per cent. of goods and services from a GST registered person. However, he has procured sand, cement and aluminum windows, ply and commercial wood etc. from an unregistered supplier. Thus, value of goods and services procured from registered suppliers during a financial year falls short of threshold limit of 80 per cent. To fulfill his tax liability on the shortfall of 30 per cent. from mandatory purchase, the promoter has to pay GST on cement at the applicable rate on reverse charge basis. After payment of GST on cement, on the remaining shortfall of 15 per cent., the promoter shall pay tax @ "18(9+9)" per cent. under RCM.

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Annexure IV
FORM

(Form for exercising one time option to pay tax on construction of apartments in a project by the promoters at the rate as specified for item (ie) or (if), against serial number 3 in the Table in this notification, as the case may be, by the 10th of May, 2019)

Reference No. _____ Date _____

To _____
_____
_____
(To be addressed to the jurisdictional Joint Commissioner)

1. GSTIN:
2. RERA registration Number of the Project:
3. Name of the project, if any:
4. The location details of the project, with clear demarcation of land dedicated for the project along with its boundaries including the longitude and latitude of the end points of the project:

5. The number, type and the carpet area of apartments for booking or sale in the project:
6. Date of receipt of commencement certificate:

Declaration

1. I hereby exercise the option to pay tax on construction of apartments in the above mentioned project as under :

I shall pay tax on construction of the apartments: (put (√) in appropriate box)	**At the rate as specified for item (ie) or (if), against serial number 3 in the Table in this notification, as the case may be**	**At the rate as specified for item (i) or (ia) or (ib) or (ic) or (id), against serial number 3 in the Table in this notification, as the case may be**

2. I understand that this is a onetime option, which once exercised, shall not be allowed to be changed.
3. I also understand that invoices for supply of the service can be issued during the period from 1st April 2019 to 10th May 2019 before exercising the option, but such invoices shall be in accordance with the option being exercised herein.

Signature _____
Name
_____
Designation _____

Place _____
Date _____

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